

1                   **Modified Text of Proposed Regulations:**  
2                   **Third 15-Day Change**

3  
4                   **Two Year Licensing of Gambling Establishments and Key Employees**  
5                   **March 27, 2008**  
6

7  
8                   **California Code of Regulations, Title 4. Business Regulations**  
9                   **Division 18. California Gambling Control Commission**  
10                  **Chapter 6. State Gambling Licenses and Approval For Gambling**  
11                  **Establishments, Owners, and Key Employees.**  
12  
13  
14  
15

16                  **Article 1. Definitions and General Provisions.**  
17

18                  **12335. Definitions.**  
19

20                  (a) Except as otherwise provided in section 12002~~(b)~~ of these regulations, the definitions  
21                  in Business and Professions Code section 19805 shall govern the construction of this  
22                  chapter.  
23

24                  (b) As used in this chapter:  
25

26                         (1) “Table Fee” means the fee established by Business and Profession Code, section  
27                         19951(b)(2).  
28

29                  Authority cited: Sections 19811(b), 19823, 19824, 19840 and 19841, Business and  
30                  Professions Code.

31                  Reference: Sections 19800, 19805(l ) and (o), 19811 and 19951(b)(2), Business and  
32                  Professions Code.  
33  
34

35                  **Article 2. Licensing**  
36

37                  **12340. Gambling License and Key Employee License.**  
38

39                  (a) No person may conduct a gambling operation without a current valid gambling  
40                  license issued by the Commission.  
41

42                  (b) Except as provided in Business and Professions Code section 19883 and Section  
43                  12347, ~~N~~no person may be a key employee of a gambling operation without a current

1 valid key employee license issued by the Commission.

2  
3 (c) A state gambling license and key employee license shall be valid for a period of two  
4 (2) years.

5  
6 Authority cited: Sections 19811(b), 19823, 19824, 19840, 19841, 19850, 19851, 19852,  
7 19853, 19854 and 19876(a), Business and Professions Code.

8 Reference: Sections 19850, 19851, 19854, 19855 and 19876(a), Business and Professions  
9 Code.

10  
11  
12 **12342. Initial ~~and Renewal~~ License Applications; Required Forms.**

13  
14 (a) Any person applying for a state gambling license or key employee license shall, as  
15 appropriate, complete the following forms, which are hereby incorporated by reference:

16  
17 (1) Application for State Gambling License, CGCC-030 (Rev. ~~01-05-11/07~~03/08).

18  
19 (2) Application for Gambling Establishment Key Employee License, CGCC-031  
20 (Rev. ~~01-05-11/07~~03/08).

21  
22 ~~(3) Cardroom Applicant Supplemental Information for State Gambling~~  
23 ~~License~~Gambling Establishment Owner Applicant-Individual Supplemental  
24 Background Investigation Information, DGC-APP-015A (Rev. ~~09-04-08/07~~03/08).

25  
26 ~~(4) Cardroom Applicant—Business~~ Gambling Establishment Owner Entity  
27 Supplemental Information for State Gambling License, DGC-APP-015B (~~New 09-04~~  
28 ~~Rev. 08/07~~03/08).

29  
30 (5) Gambling Establishment Supplemental Information for State Gambling License,  
31 DGC-APP-015C (~~New 09-04~~Rev. 08/0703/08).

32  
33 ~~(6) Cardroom Key Employee Supplemental Information for State Gambling~~  
34 ~~License~~Gambling Establishment Key Employee Supplemental Background  
35 Investigation Information, DGC-APP-016A (Rev. ~~09-04-08/07~~03/08).

36  
37 (7) Cardroom Applicant's Spouse Supplemental Background Information for State  
38 Gambling License, DGC-APP. 009A (Rev. 09-04).

39  
40 ~~(8) Renewal Supplemental Information for State Gambling/Key Employee License~~  
41 ~~and Instructions to Renewal Applicants~~, DGC APP. 017A (Rev. 12-04).

42 (8) Trust Supplemental Background Investigation Information, DGC-APP-143 (~~New~~  
43 ~~11/07~~03/08)

44  
45 (9) Declaration of Full Disclosure, DGC-APP. 005 (Rev. 09-04).

46  
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- 1 (10) Authorization to Release Information, DGC-APP. 006 (Rev. ~~09-04~~08/07/03/08).
- 2
- 3 (11) Applicant's Declaration, Acknowledgment and Agreement (Community Property
- 4 Interest), DGC-APP. 011 (Rev. 09-04).
- 5
- 6 (12) Applicant's Declaration, Acknowledgment and Agreement (Sole and Separate
- 7 Property), DGC-APP. 012 (Rev. 09-04).
- 8
- 9 (13) Spouse's Declaration, Acknowledgment and Agreement (Community Property
- 10 Interest), DGC-APP. 013 (Rev. 09-04).
- 11
- 12 (14) Spouse's Declaration, Acknowledgment and Agreement (Sole and Separate
- 13 Property), DGC-APP. 014 (Rev. 09-04).
- 14
- 15 ~~(15) Report of Annual Gross Revenues DGC-APP. 018 (Rev. 09-03).~~
- 16
- 17 ~~(16) Declaration of Compliance With The Requirement for Public Notice of~~
- 18 ~~Application for a Gambling License, DGC LIC. 100 (Rev. 07-03).~~
- 19
- 20 ~~(17) Instructions for Public Notice of an Application for a Gambling Establishment~~
- 21 ~~License, DGC LIC. 102 (Rev. 07-03).~~
- 22
- 23 ~~(18) Public Notice of An Application for a Gambling Establishment License, DGC-~~
- 24 ~~LIC. 102A (Rev. 7-03).~~
- 25
- 26 ~~(19)~~(15) Appointment of Designated Agent, DGC-APP. 008 (Rev. 09-03).
- 27
- 28 ~~(20) Employee Work Permit Certification, DGC-APP. 019 (Rev. 09-03).~~
- 29
- 30 ~~(24)~~(16) Key Employee Report, DGC-LIC. 101(Rev. 07-03).
- 31
- 32 ~~(22) Instructions to Applicants, DGC APP. 007 (Rev. 12-04).~~
- 33
- 34 ~~(23)~~(17) Instructions to Applicant's Spouse, DGC-APP. 010 (Rev. ~~12/04~~03/08).
- 35
- 36 ~~(24)~~(18) Notice to Applicants, DGC-APP. 001 (Rev. 09-04).
- 37
- 38 ~~(25)~~(19) Request for Live Scan Service (California Department of Justice Form BCII
- 39 8016, Rev. 4/01).
- 40
- 41 ~~(26)~~(20) Request for Copy of Personal Income Tax or Fiduciary Return, FTB-3516C1
- 42 (Rev. 06/03 side 1-PIT).
- 43
- 44 ~~(27)~~(21) Request for Copy of Corporation, Exempt Organization, Partnership, or
- 45 Limited Liability Company Return FTB-3516C1 (Rev. 06/03 side 2-CORP).
- 46

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1 ~~(28)(22) Tax Information Authorization (IRS 8821, Rev. April 2004)~~Request for  
2 Transcript of Tax Return IRS 4506-T, Rev. April 2006).

3  
4 Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions  
5 Code.

6 Reference: Sections 19850, 19851, 19852, 19854, 19855, 19856, 19857, 19864, 19865,  
7 19866, 19867, ~~19876~~, 19880, 19881, 19883, 19890, 19893, 19951 and 19982, Business  
8 and Professions Code.

9  
10  
11 **12343. Processing Times -Initial Applications.**

12  
13 (a) Except as provided in subsection (b), initial gambling or key employee license  
14 applications submitted pursuant to this chapter shall be processed within the following  
15 timeframes:

16  
17 (1) The maximum time within which the Commission shall notify the applicant in  
18 writing that an application or a resubmitted application is complete and accepted for  
19 initial processing by the Commission, or that an application or a resubmitted  
20 application is deficient and identifying what specific additional information is  
21 required, is 20 days after receipt of the application. For the purposes of this section,  
22 "application" means the Application for State Gambling License, CGCC-030 (Rev.  
23 01-05-~~11/07~~03/08) and the Application for Gambling Establishment Key Employee  
24 License, CGCC-031 (Rev. 01-05-~~11/07~~03/08), both of which are incorporated by  
25 reference in Section 12342. An application is not complete unless accompanied by  
26 the fee of five hundred dollars (\$500) specified in Business and Professions Code  
27 section 19951(a). In addition, an applicant shall submit with the application, any  
28 supplemental information required by section 12342 for review by the Division  
29 pursuant to paragraph (3) of this subsection. The supplemental information shall not  
30 be reviewed for completeness by the Commission.

31  
32 (2) An application for a license and the supplemental information shall be forwarded  
33 by the Commission to the Division ~~for processing~~ within 10 days of the date that the  
34 Commission determines that the application is complete.

35  
36 (3) The Division shall review the supplemental information submitted for  
37 completeness and notify the applicant of any deficiencies in the supplemental  
38 information, or that the supplemental information is complete, within 30 days of the  
39 date that the application and supplemental information are received by the Division  
40 from the Commission. Notwithstanding this subsection, subsequent to acceptance of  
41 the supplemental information as complete, the Division may pursuant to Business and  
42 Professions Code section 19866 require the applicant to submit additional  
43 information.

44  
45 (4) Pursuant to Business and Professions Code section 19868, the Division shall, to  
46 the extent practicable, submit its recommendation to the Commission within 180 days

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1 after the date the Division is in receipt of both the completed application pursuant to  
2 paragraph (2) of this subsection and the completed supplemental information pursuant  
3 to paragraph (3) of this subsection. If the Division has not concluded its investigation  
4 within 180 days, then it shall inform the applicant and the Commission in writing of  
5 the status of the investigation and shall also provide the applicant and the  
6 Commission with an estimated date on which the investigation may reasonably be  
7 expected to be concluded.

8  
9 (5) The Commission shall grant or deny the application within 120 days after receipt  
10 of the final written recommendation of the Division concerning the application,  
11 except that the Commission may notify the applicant in writing that additional time,  
12 not to exceed 30 days, is needed.

13  
14 (b) The processing times specified in subsection (a) may be exceeded in any of the  
15 following instances:

16  
17 (1) The applicant has agreed to extension of the time.

18  
19 (2) The number of licenses to be processed exceeds by 15 percent the number  
20 processed in the same calendar quarter the preceding year.

21  
22 (3) The Commission must rely on another public or private entity for all or part of the  
23 processing and the delay is caused by that other entity.

24  
25 Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions  
26 Code.

27 Reference: Sections 19841 and 19868, Business and Professions Code.

28  
29  
30 **12344. License Renewals.**

31  
32 (a) Each application for renewal of a state gambling license ~~for an individual or a~~  
33 ~~business organization~~ or for renewal of a key employee license shall be accompanied by  
34 all of the following:

35  
36 (1) A completed ~~form~~ application:

37  
38 (A) Applicants for a state gambling license shall use the form "Application for  
39 State Gambling License, CGCC-030 (Rev. ~~01-05-11~~07/03/08)."

40  
41 (B) Applicants for a key employee license shall use the form "Application for  
42 Gambling Establishment Key Employee License, CGCC-031 (Rev. ~~01-~~  
43 ~~05-11-07~~03/08)."

~~(2) A completed form entitled "Renewal Supplemental Information for State Gambling/Key Employee License and Instructions to Renewal Applicants, DGC-APP.017A (Rev. 12-04)" together with any documents required by the form.~~

~~(3)~~(2) A nonrefundable application fee in the amount of five hundred dollars (\$500).

(b) Each key employee or other person whose name is required to be endorsed upon the license shall submit a separate application for renewal of that person's license, together with the application fee specified in subsection (a).

(c) All applications for renewal of state gambling licenses and key employee licenses for a particular gambling establishment shall be submitted together as a single package to the California Gambling Control Commission.

(d) If, after a review of an application for renewal of a state gambling license or a key employee license, the Division of Gambling Control determines that further investigation is needed, the applicant shall submit an additional sum of money that, in the judgment of the Director of the Division, will be adequate to pay the anticipated investigation and processing costs, in accordance with Business and Professions Code section 19867.

Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions Code.

Reference: Sections 19876, 19851 and 19951, Business and Professions Code.

#### **12345. Processing Times -Renewal Applications.**

(a) Except as provided in subsection (b), renewal gambling or key employee license applications submitted pursuant to Section 12344 shall be processed within the following timeframes:

(1) An application for renewal of a gambling license or key employee license shall be filed by the owner licensee or the key employee with the Commission no later than 120 days prior to the expiration of the current license.

(2) The maximum time within which the Commission shall notify the applicant in writing that an application or a resubmitted application is complete and accepted for initial processing by the Commission, or that an application or a resubmitted application is deficient and identifying what specific additional information is required, is 10 days after receipt of the application. For the purposes of this section, "application" means the Application for State Gambling License, CGCC-030 (Rev. 01-05~~11-07~~03/08) and the Application for Gambling Establishment Key Employee License, CGCC-031 (Rev. 01-05~~11-07~~03/08), both of which are incorporated by reference in Section 12342. An application is not complete unless accompanied by the fee of five hundred dollars (\$500) specified in Business and Professions Code

1 section 19951(a). ~~In addition, an applicant shall submit with the application, any~~  
2 ~~supplemental information required by section 12342 for review by the Division.~~

3  
4 (3) An application for a license ~~and the supplemental information~~ shall be forwarded  
5 by the Commission to the Division for processing within five days of the date that the  
6 Commission determines that the application is complete.

7  
8 (4) The Division shall submit its written recommendation concerning the renewal  
9 application to the Commission no later than 45 days prior to the expiration of the  
10 current license.

11  
12 (b) The processing times specified in paragraphs (2) through (4) of subsection (a) may be  
13 exceeded in any of the following instances:

14  
15 (1) The applicant has agreed to extension of the time.

16  
17 (2) The number of licenses to be processed exceeds by 15 percent the number  
18 processed in the same calendar quarter the preceding year.

19  
20 (3) The Commission must rely on another public or private entity for all or part of the  
21 processing and the delay is caused by that other entity.

22  
23 Authority cited: Sections 19811, 19824, 19840 and 19841, Business and Professions  
24 Code.

25 Reference: Sections 19868 and 19876, Business and Professions Code.

## 26 27 28 **Article 3. Table Fee; Requests for Additional Tables**

### 29 30 **12357. Table Fee.**

31  
32 The fee required by Business and Professions Code section 19951, subdivision (b)(2)(B)  
33 shall be based on the criteria in subsection (a) or (b) of this section, whichever is  
34 applicable, and shall be due and paid annually by the holder of a state gambling license to  
35 the Commission no later than 120 calendar days following the end of the licensee's fiscal  
36 year.

37  
38 (a) The fee specified in Business and Professions Code section 19951, subdivision (c)  
39 shall be based on the number of tables authorized by the license during the licensee's  
40 preceding fiscal year.

41  
42 (b) The fee specified in Business and Professions Code section 19951, subdivision (d)  
43 shall be based on the owner licensee's gross revenues for the preceding fiscal year.

44  
45 (c) Each holder of a state gambling license shall submit to the Commission, together with  
46 their payment of the annual fee specified in this section, a completed form Gambling

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1 Establishment Annual Fee Calculation, CGCC-028 (New 08/07), which is hereby  
2 incorporated by reference.

3  
4 Authority cited: Sections 19811(b), 19823, 19824, 19840, 19841, 19876(a) and 19951,  
5 Business and Professions Code.

6 Reference: Sections 19841, 19876(a), ~~and~~ 19951 and 19954, Business and Professions  
7 Code.

8  
9  
10 **12358. Request for Additional Temporary Tables for Tournaments or Special**  
11 **Events.**

12  
13 (a) An owner licensee of a gambling establishment may apply to operate, on a limited and  
14 temporary basis, for a tournament or special event (hereinafter, event), more tables than  
15 the gambling establishment is authorized to regularly operate. To apply for additional  
16 tables, the applicant must submit to the Commission, no less than 45 days prior to the  
17 event, the following for each event:

18  
19 (1) A completed and signed application form entitled "Request for a Certificate to  
20 Operate Additional Tables on a Temporary Basis" CGCC-024 (Rev. ~~01/07~~03/08),  
21 which is attached in Appendix A to this Chapter.

22  
23 (2) A non-refundable application fee of \$500, ~~made payable to the California~~  
24 ~~Gambling Control Commission~~, plus a Division review deposit ~~made payable to the~~  
25 ~~Division of Gambling Control~~, pursuant to California Code of Regulations, title 11,  
26 section 2037, made payable to the California Gambling Control Commission.

27  
28 (3) Fees for the additional tables, as calculated according to the form in subsection  
29 (a)(1), above.

30  
31 (b) The Commission shall not grant the application if a review by the Division discloses  
32 any of the following:

33  
34 (1) The requested temporary increase in the number of tables would exceed the  
35 number of tables allowed to be operated by the local jurisdiction for either the  
36 particular cardroom or the jurisdiction where the gambling establishment is located.

37  
38 (2) The requested temporary increase in the number of tables has been denied by the  
39 local jurisdiction where the gambling establishment is located.

40  
41 (3) The gambling establishment's state gambling license is suspended or contains  
42 conditions precluding the approval of a temporary increase in the number of tables.

43  
44 (4) The gambling establishment has outstanding fees, deposits, fines, or penalties  
45 owing to the Commission or to the Division.



1 (c) The Commission may deny the application if the application as submitted was  
2 untimely or incomplete.

3  
4 (d) A request by an applicant to withdraw the application shall result in the application  
5 being considered abandoned, and the fees for the additional tables and unused deposit  
6 amounts returned, with no further action to be taken by the Commission.

7  
8 (e) The Commission may delegate the authority to deny the requested temporary increase  
9 or to issue a license certificate approving the requested temporary increase in the number  
10 of tables to any employee of the Commission. Commission staff shall commence the  
11 initial review and shall forward the application to the Division for review within 7 days  
12 of receipt of the application. The Division shall complete its review and return its  
13 findings to the Commission within 25 days of receipt of the application from the  
14 Commission. Commission staff shall then complete the review within 13 days of  
15 receiving the Division's findings and notify the applicant.

16  
17 Authority cited: Sections 19811, 19823, 19824, 19840, 19841(a)-(c) and (p), 19864,  
18 19950(b) and 19952, Business and Professions Code.

19 Reference: Section 19951, Business and Professions Code.  
20  
21

## 22 **12359. Request for Additional Permanent Tables.**

23  
24 (a) The owner licensee of a gambling establishment may apply to operate additional  
25 tables on a permanent basis by submitting the following to the Executive Director:

26  
27 (1) A completed and signed application form entitled "Application for Additional  
28 Authorized Permanent Tables" CGCC-027 (Rev. ~~07-06~~03/08), which is attached in  
29 Appendix A to this Chapter.

30  
31 (2) A non-refundable application fee of \$500, ~~made payable to the California~~  
32 ~~Gambling Control Commission~~, plus a Division review deposit ~~made payable to the~~  
33 ~~Division of Gambling Control~~, pursuant to California Code of Regulations, title 11,  
34 section 2037, made payable to the California Gambling Control Commission.

35  
36 (b) The Commission shall not grant the application if any of the following are disclosed  
37 by the application or the results of the investigation of the applicant by the Division:

38  
39 (1) The requested increase in the number of tables would exceed the number of tables  
40 allowed to be operated by the local jurisdiction for either the particular cardroom or  
41 the jurisdiction in which the gambling establishment is located.

42  
43 (2) The requested increase in the number of tables has been denied by the local  
44 jurisdiction in which the gambling establishment is located.  
45

1 (3) The gambling establishment's state gambling license is suspended or is subject to  
2 conditions precluding the approval of an increase in the number of tables.

3  
4 (4) The gambling establishment has outstanding fees, deposits, fines, or penalties  
5 owing to the Commission or to the Division.

6  
7 (c) A request by an applicant to withdraw the application shall result in the application  
8 being considered abandoned and unused deposit amounts returned, with no further action  
9 to be taken by the Commission.

10  
11 (d) Commission staff shall commence the initial review and shall forward the application  
12 to the Division for investigation within 7 days of receipt of the application. The Division  
13 shall complete its review and return its findings to the Commission within 25 days of  
14 receipt of the application from the Commission. Commission staff shall then complete  
15 the review and set the request on the Commission agenda within 90 days of receiving the  
16 Division's findings and advise the applicant of the agenda date and any required table  
17 fees due. If the request for additional permanent tables is approved, applicant must pay  
18 the required tables fee due before placing the additional tables in operation.

19  
20 Authority cited: Sections 19811, 19823, 19824, 19840, 19841, 19864, 19950(b) and  
21 19951, Business and Professions Code.

22 Reference: Section 19951, Business and Professions Code.

# APPENDIX A